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SUBJECT: UN HIGH LEVEL PANEL ON SYSTEM-WIDE COHERENCE: U/S
SHINER'S NEW YORK MEETINGS MARCH 13

REF: USUN 396

1. Summary: In New York consultations March 13, Under
Secretary Shiner surveyed the upcoming work of the UN

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Secretary General's High-Level Panel on UN System-wide

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Coherence in the Areas of Development, Humanitarian Assistance, and Environment. The thirteen-member Panel -- mandated by the World Summit Outcome Document -- will begin its tightly compressed work program in early April, with the goal of completing its recommendations before the General Assembly convenes in September. During these pre-consultations, U/S Shiner met with the Panel's newly formed Secretariat, as well as A/SYG Robert Orr, UNDP Administrator Kemal Dervis, U/SYG Jan Egeland (Humanitarian affairs), visiting UK Development Under Secretary Gareth Thomas and Ambassador John Bolton. U/S Shiner's UN system interlocutors were encouraged by the message of strong US engagement in, and support for, this process. USG interest in reforming the UN's development apparatus is high, but U/S Shiner made it clear the USG had no predetermined outcome. Because of the late start and fixed deadline, the Panel will most likely face a race to completion, but key players believe the task can be accomplished within the designated timeline. Since so many parts of the UN system could be affected by the recommendations, the Panel's work will face a high level of scrutiny and aid recipients in particular will monitor the results closely. End summary.

Panel Secretariat on Time Line and Objectives

2. Meeting initially with the Panel Secretariat Director Adnan Amin, U/S Shiner stressed the USG's intent to work seriously and constructively on this project. The USG saw important opportunities in this time of transformation to move in the direction of ending poverty, and the UN had an important role in this. It was important not to lose momentum created by the 2005 World Summit. U/S Shiner explained she would be in listening mode over the next weeks and would be looking for gaps in assistance delivered by the UN system and not just for the expected overlapping functions. She was also looking for suggestions to rejuvenate existing organizations as opposed to building new structures. Amin noted that the new Panel had generated a lot of conjecture. The high level of the panel members was particularly important, with three serving prime ministers on it. The critical element in the Panel's work was the ongoing buy-in process by member states and the UN system. Previous

High-Level Panels had failed to achieve their objectives because they lacked General Assembly buy-in, he noted. Transparency was essential in this process.

13. U/S Shiner said she saw huge gaps in trade capacity building within the entire development assistance spectrum. This had to be addressed. China for example had lifted more people out of poverty in recent years -- through trade -- than had ever been done before. Neither UNCTAD nor the World Bank were doing this work, and even the USG's efforts were still relatively modest. The US Millennium Challenge Corporation was doing some innovative work and having good results in what she termed the "tipping point" countries, but much more needed to be done globally.

14. Explaining the time line of the Panel's work, Amin said the initial meetings -- in a retreat format -- would be held in the April 4-7 time frame in New York, including consultations with member states. Then a group of Panel members -- including U/S Shiner -- would attend the UN Chief Executive Board meetings in Madrid April 7-8. U/S Shiner asked about the Panel's work in the environmental area (this is Amin's primary area of expertise). Amin said there was no consensus on expanding the UN's role in this area, even though the Europeans desired to emphasize it. Many developing countries and the US opposed this view, he believed. Assistance funding in the environmental sector goes primarily to areas of quick wins, but large gaps remain in the worldwide effort.

15. Amin noted a loss of focus in the UN system, and said UN specialized agencies were almost independent of the center. Amin explained that "coordination within the system" had almost become a derogatory term. He held up the example of UNICEF's efficiency, both operationally and in terms of mobilizing financial support. He said UNICEF could prosper as a private entity. U/S Shiner said the USG believed the most effective actors in the UN system should retain their operational flexibility and so was not seeking massive

changes there. On the humanitarian side, the USG is interested in results, and has no plan to recast the structures if those in place are effective. Furthermore, the US Congress sees a "development marketplace," and wants to fund the most effective organizations, whenever possible. She recalled that the USG was funding development assistance now, so that in the long run we could attain our global development objectives and shift funding to other areas.

Assistant Secretary General Orr on System-Wide Coherence

16. Assistant Secretary General for Policy Planning Robert Orr welcomed U/S Shiner and explained that his responsibilities do not directly address those that are the focus of the SYG Panel, but do address matters related to the other principal reform tracks - Mandate Review, Management Reform and general substantive reforms, such as the Peacebuilding Commission. He noted that the lack of development coherence and other issues facing the UN stem from a history which did not previously provide for system-wide coordination, noting that before the present SYG, the previous SYG convened meetings of the heads of the various UN entities which remain subject to their own governing boards. Orr referred to the difficulties in getting the different pieces of the UN structure to communicate with each other on matters of shared interest. While acknowledging progress in getting the separate parts of the UN to coordinate and communicate, he stressed that the enormous growth in the UN's activities, particularly in the field, have changed the character of the demands on the UN and dramatically increased the need for further coordination and communication. During the course of the discussion, Orr referred to the Peacebuilding Commission as an example of an emerging reform that, for the first time, will bring all of the diverse stakeholders related to an initiative to the same

table to address the large complex mission of peacebuilding, as an example of the kind of coordination and communication -- both within the UN and among the other related organizations -- necessary to deal with the complex problems faced by the global community in the 21st century.

¶17. Orr emphasized the need also for a cultural shift in the UN -- away from an attitude where a staff member focuses not simply on his/her particular entity, but one that focuses more on the staff member's identification with the UN organization as a whole. He suggested that such a shift may take considerable time and effort. In the same context, Orr stressed that in promoting changes to UN management that will enhance not only coordination but the effectiveness and efficiency, care should be taken not to hold up to the rest of the UN system the reputation of these other, favored parts, such as UNICEF and WFP. Finally, Orr indicated that the SYG Panel, while politically sensitive, could be tremendously helpful in moving the UN in the right direction in the area of development over the longer period.

¶18. U/S Shiner asked whether the UN should be considered the center of gravity in the area of development or, indeed, whether it should be in the development business at all. She suggested that the UN must show adaptability to the mission of our times. She referred to "best practices" and to UNICEF and WFP as examples of entities that are seen as having adapted to the mission of our times. Orr emphasized that while agreeing on the need to adapt "best practices," this should be done without specific reference to the particular entity, such as UNICEF or WFP. Similarly, while recognizing that the impetus for such best practices may come primarily from the fact that these entities operate on voluntary funding, care should be exercised in suggesting that this is the only impetus and would be appropriate for other parts of the UN. Finally, U/S Shiner asked about the possibility of using UNCTAD as the focus within the UN system on trade issues. Orr demurred, noting the very serious problems with the way UNCTAD is presently organized and focused.

UNDP Administrator Dervis Suggests a Radical Approach

¶19. UNDP Administrator Kemal Dervis met briefly with U/S Shiner, and explained that he would be personally involved in the Panel's work as an ex officio member. The Panel's work program was heavily compressed and the first weeks would be critical, Dervis said. Because the results could turn out to be extremely helpful to the entire UN system, he believed the effort required would prove a good investment. He likened

the work to writing a new computer program when the old one had too many add-ons to remain useful. Dervis argued the Panel should take a radical approach, but cautioned that the institutional structures required to support development needed to be built for the long term.

¶10. U/S Shiner stressed the USG's desire to identify and support the comparative advantage the UN system might have in development. While the USG would be deeply involved in the development business for the foreseeable future, the ultimate objective was to succeed, and to the extent we could, leave the field. The discussion then touched briefly on whether the "middle income" countries around the world (Brazil and Turkey were mentioned) were really making as much progress up the development chain as expected and whether crime and poverty might be partially obscured in these countries by certain economic and social data, especially if there are large variations in income distribution.

Humanitarian Affairs: U/SYG Jan Egeland Identifies Key Gaps

¶11. Meeting with U/S Shiner, Under Secretary General for Humanitarian Affairs Jan Egeland noted that some current

efforts in humanitarian reform might be of relevance to the wider system. Egeland stressed that the Panel must be realistic in what it recommends, possibly going for "five big things" rather than taking on many elements of the system. Egeland also stressed that the Panel should go for those that are "enforceable." Egeland identified two major gaps in the current UN system, which he thought would benefit from the Panel's focus and analysis.

(a) Preparedness: The issue of preparedness links to many UN agencies but lacks a formal "home" in the UN system. Strengthening this area could have strong positive impact in mitigating disasters and therefore reducing response demands on the system. (Comment: This is an ongoing topic of discussion within the UN, both where this activity should be "housed" and how it links to the more operational elements of the UN's work. End comment.)

(b) Transition: Egeland expressed that OCHA repeatedly struggles with a lack of clarity within the international system on the overall responsibility for coordination following the initial emergency phase. There are generally multiple actors for post-emergency reconstruction (IFIs, affected governments, UNDP/UNDG) but no clear leadership and often not much "deployable" capacity, leaving a void in coordination. Egeland feels that the UN (through the Resident Coordinator) must play a central role in coordination during the transition phase, and that the IFIs should focus on macro-economic issues. (Comment: Linked to the lack of transition leadership is the issue of Resident Coordinators (RCs) and Humanitarian Coordinators (HCs). Egeland reported that nearly all RCs are automatically dual-hatted as an HC when a disaster strikes. This points to a current weakness in the system, that not many RCs -- generally career UNDP officers with little background in emergency response -- have the skills or experience to be effective HCs. There are attempts to address this by widening the pool of potential HCs to include candidates from other UN agencies and NGOs. However, there has been resistance within UNDP in the past to having HCs from outside the system. End comment.) Egeland noted that staff teams deployed by OCHA support the HCs, but when the HC function ends the RC does not benefit from a similar support team for the post-emergency/transition phase. Egeland noted that this gap is also a matter of donor coherence. Donors generally fund humanitarian and transition activities from different accounts, offices, etc, adding to the lack of coherence within the UN system.

Ambassador Bolton: Panel may Generate Far-Reaching Changes

¶12. Ambassador Bolton described the work of the Panel as potentially very important insofar as it had the potential to rationalize the UN's development activities. Its recommendations would be taken seriously, he said. If the myriad of UN specialized agencies, funds and humanitarian programs could be made to work in efficient tandem, that focus might be a kind of revolution in itself. On the other hand, an agenda that simply seeks more funding would be counterproductive. Those parties that unconditionally sought more money for development, pursuant to a "right to

development," and who also strived to create a global UN environmental agency, could push the Panel in the wrong direction.

¶13. U/S Shiner responded that Washington cared deeply about the work of the Panel, particularly because of the perception that the UN had failed to help countries build the infrastructure that would foster their own growth and stimulate trade and investment. She said she would raise the overarching question of how to create a modern "paradigm of effectiveness" and to better define the mission of the UN. The interconnectedness of American security and well-being with that of the rest of world was indisputable, Shiner said.

The question remained, what is the UN poised to handle well, and how can the UN empower countries, so that they can graduate up the ladder of economic sufficiency and shrink the number of those in need?

¶14. Ambassador Bolton suggested that, as the Panel looked at such central questions and at UN structural issues, the U.S. should insist on analyzing what entities performed well and what enabled them to operate effectively. He suggested that U/S Shiner try to meet with Catherine Bertini, former Under Secretary-General for Management and Director of the World

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Food Program. Describing the UN as "a competitor in the international marketplace for problem solving," Ambassador Bolton said the USG needed to focus on the question of how the UN could add value in this competitive arena, and to resist efforts of others on the Panel, possibly led by the EU, to coalesce around aid flows and a business-as-usual restructuring agenda.

Meeting with Gareth Thomas: Donors Should Coordinate

¶15. UK Permanent Under Secretary for International Development (DFID), Gareth Thomas, asked to meet with U/S Shiner while both were in New York. Thomas noted the extremely compressed period of work for the Panel, but said it represented the biggest opportunity to upgrade the UN development machinery in 20 plus years. Thomas saw a number of strong partners in place in various UN agencies, such as Ann Veneman at UNICEF, and also saw good work coming together on the humanitarian side with Jan Egeland's "cluster approach." He argued that there could be a need to strike a bargain with the G77 for real reform to proceed, requiring more funding and greater authority within the UN system to redeploy funds. Otherwise the G77 would see this Panel as little more than another western "funds-cutting exercise." Thomas noted it was critical to get UN agencies to improve in-country coordination, citing the example of a shared in-country UN platform in Cape Verde. He also thought it would make sense for donor countries on the Panel to get together early to plan a common strategy.

¶16. U/S Shiner noted the Panel could promote positive change and could also help to rebuild US support for the UN itself if it produced tangible results. She noted a gap in the area of trade capacity building and wondered if the UN could play a role in this. The USG wanted to see best practices from one UN agency expand to others. Washington was most interested, she said, in funding development mechanisms that produced the best results. Efficiency also mattered, she said, noting the Millennium Challenge Corporation was able to deliver 97 percent of its funding to recipients through focused and innovative management.

¶17. Thomas again asked for close coordination, and requested any concept papers the USG might develop. He thought the most immediate reform that could be adopted would be to develop UN common country platforms in 40 or so countries over a one-year period. But much thinking on long-term reform was also needed. U/S Shiner noted the Panel has a good mix of countries and experienced personnel and should be able to make headway rapidly, as long as it had a clear vision that was not the result of a lowest common denominator approach.

¶18. This cable has been cleared by U/S Shiner.

BOLTON